

UNITED STATES DISTRICT COURT
DISTRICT OF MAINE

SEA SALT, LLC,)
)
 Plaintiff,)
)
 v.) 2:18-cv-00413-JAW
)
 MATTHEW R. BELLEROSE, et al.,)
)
 Defendants.)

**ORDER AFFIRMING THE RECOMMENDED DECISION OF THE
MAGISTRATE JUDGE**

On September 29, 2020, Sea Salt, LLC filed a motion for entry of default against trustees PayPal, Inc. (PayPal) and Coinbase, Inc. (Coinbase), claiming that “[n]either PayPal nor Coinbase responded to the trustee summonses in this action with a disclosure under oath as required by M.R. Civ. P. 4B(e) and 14 M.R.S. § 2614, 2701 and 2706.” *Pl.’s Mot. for Entry of Default Against Trustees PayPal, Inc. and Coinbase, Inc.* at 5 (ECF No. 219). On October 19, 2020, the Clerk of Court entered a default against PayPal and Coinbase. *Order Granting Mot. for Entry of Default* (ECF No. 231).

On October 16, 2020, Coinbase objected to Sea Salt’s motion for entry of default and alternatively moved to set aside entry of default. *Coinbase’s Obj. to Pl.’s Mot. for Entry of Default Against Coinbase, Inc., and, Alternatively, Mot. to Set Aside Entry of Default* (ECF No. 230). PayPal similarly moved to set aside entry of default on October 20, 2020. *Def. PayPal, Inc.’s Opp’n to Pl.’s Mot. for Entry of Default and Mot. to Set Aside Default* (ECF No. 232). On November 20, 2020, Sea Salt filed its

opposition to Coinbase's and PayPal's motions to set aside default. *Pl.'s Consolidated Opp'n to Defs. Coinbase, Inc. and PayPal, Inc.'s Mots. to Set Aside Default* (ECF No. 248). PayPal filed its reply to Sea Salt's opposition on December 3, 2020. *PayPal, Inc.'s Reply to Pl.'s Opp'n to PayPal's Mot. to Set Aside Default* (ECF No. 251). The next day, Coinbase filed its reply. *Coinbase Inc.'s Reply Mem. in Supp. of Mot. to Set Aside Entry of Default* (ECF No. 252).

On December 28, 2020, the Magistrate Judge issued a Recommended Decision, recommending this Court grant PayPal's and Coinbase's motions to set aside the default, concluding that they had demonstrated good cause. *Recommended Decision on Mots. to Set Aside Default* (ECF No. 255) (*Recommended Decision*). Sea Salt filed its objection on January 11, 2021. *Pl.'s Obj. to Recommended Decision Granting Mots. to Set Aside Default* (ECF No. 256). PayPal responded to Sea Salt's objection on January 25, 2021. *PayPal, Inc.'s Reply to Pl.'s Obj. to the Recommended Decision Granting the Mot. to Set Aside Default* (ECF No. 258). That same day, Coinbase filed its response to Sea Salt's objection. *Coinbase, Inc.'s Resp. to Pl.'s Obj. to Recommended Decision Granting Mots. to Set Aside Entry of Default* (ECF No. 259).

The Court reviewed and considered the Magistrate Judge's Recommended Decision, together with the entire record, and made a de novo determination of all matters adjudicated by the Magistrate Judge's Recommended Decision.¹ The Court

¹ The Magistrate Judge issued a Recommended Decision triggering de novo review due to uncertainty about whether the order on the motions to set aside default is dispositive or non-dispositive. *See Recommended Decision* at 1, n.1. If dispositive, Sea Salt is entitled to a de novo review; if non-dispositive, the standard is clearly erroneous or contrary to law. *See* 28 U.S.C. § 636(b)(1)(A), (B); FED. R. CIV. P. 72(a), (b). Without resolving the issue, the Court applied the standard more favorable to Sea Salt, de novo review, to Sea Salt's objection and the result is the same.

concurs with the recommendations of the Magistrate Judge for the reasons set forth in his Recommended Decision and determines no further proceeding is necessary.

1. The Court AFFIRMS the Recommended Decision of the Magistrate Judge (ECF No. 255).
2. The Court DENIES Sea Salt, LLC's Objection to the Recommended Decision of the Magistrate Judge (ECF No. 256).
3. The Court GRANTS Coinbase, Inc.'s (ECF No. 230) and PayPal, Inc.'s (ECF No. 232) motions to set aside entry of default. The Court SETS ASIDE the Clerk's Entry of Default (ECF No. 231).

SO ORDERED.

/s/ John A. Woodcock, Jr.
JOHN A. WOODCOCK, JR.
UNITED STATES DISTRICT JUDGE

Dated this 3rd day of February, 2021